NAFA
Bulletin
The Magazine for Fleet Administrators
August 1984

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Iacocca Elected

Honorary Member

See Page 4

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295 Madison Avenue, New York, N.Y. 10017
Telephone: 212-689-3200

Executive Director
ROBERT BERKE

Director of Publications
LYNNE WARSHAVSKY

Assistant Editor
LORI A. McDONOUGH

Legal Counsel
WILLARD H. DaSILVA

NAFA Bulletin

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August 1984

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Photo: Lynne Warshavsky

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Front Cover Photo: Chrysler's Lee A. Iacocca is installed as a NAFA Honorary Member. With Mr. Iacocca (L-R) are: Don Allen, corporate fleet manager, Gerber Products Co.; John Palmer, auto fleet administrator, Citizens Insurance Company; Patrick Sheehan, corporate fleet manager, Baxter-Travenol Laboratories Inc., and Hal Barton, general manager, fleet operations, Chrysler Corp.

You Make the Choice:

Here's What Leasing Companies Recommend for 1985 Model Year

The 1985 model year has arrived. And now it's time to start the cycle of ordering new cars. New model offerings have to be evaluated, selector lists prepared, and replacement schedules made firm.

To serve as a guide in providing you with a broad background on what is available for 1985, NAFA Bulletin publishes the suggestions offered by a few of the large leasing companies. The professional fleet manager is aware that these are only recommendations. The final, and sometimes difficult, decision is your responsibility. Your success depends on making the right choices.

The National Association of Fleet Administrators, Inc., makes no recommendations; it is offering this data as a service to its members.

ARI Recommendations

The 1984 model year has seen our industry witness a resurgence of sales of new cars and trucks, says ARI. This was especially true in the retail market but was just as pronounced in the leasing industry. According to ARI, we have also experienced renewed interest in mid-sized cars with larger engines promoted in part by the abundance of gasoline at seemingly stabilized prices.

ARI's recommendations are based on the following suggested fleet equipment. In making their recommendations, ARI has tried to accommodate the market's desire for larger more powerful units.

Sub Compacts:
(4 Door Sedan or Hatchback when possible)

AMC Alliance
Chevrolet Cavalier
Dodge Omni
Ford Escort
Mercury Lynx
Plymouth Horizon

Automatic Transmission, Power Steering, Power Brakes, Air Conditioning, AM Radio, Tinted Glass, Body Side Moldings, Wheel Covers, Cloth Interior

Compacts:
(4 Door Sedan or Hatchback when possible)

Buick Skylark
Dodge Aries
Ford Tempo
Mercury Topaz
Plymouth Reliant

Automatic Transmission, Power Steering, Power Brakes, Air Conditioning, Stereo Radio, Tinted Glass, Body Side Moldings, Wheel Covers, Dual Horn, Whitewall Tires, Cloth Interior, Cruise Control — (Open Road High Mileage Vehicle)

Midsize:
(4 Door Sedan)

Buick Century
Chevrolet Celebrity
Ford LTD
Mercury Marquis
Oldsmobile Cutlass Ciera
Pontiac 6000

Automatic Transmission, Power Steering, Power Brakes, Air Conditioning, Stereo Radio, Tinted Glass, Body Side Moldings, Wheel Covers, Dual Horns, Whitewall Tires, Cloth Interior, Cruise Control — (Open Road High Mileage Vehicle)

2 Door Specialty:

Buick Regal
Ford Thunderbird
Mercury Cougar
Oldsmobile Cutlass Supreme

Automatic Transmission, Power Steering, Power Brakes, Air Conditioning, Stereo Radio, Power Windows, Cruise Control, Tilt Wheel, Tinted Glass, Body Side Moldings, Wheel Covers, Dual Horns, Whitewall Tires, Cloth Interior

Full Size: *(Fleet)*
(4 Door Sedan)

Chevrolet Impala
Ford LTD Crown Victoria "S"

Automatic Transmission, Power Steering, Power Brakes, Air Conditioning, Stereo Radio, Tinted Glass, Body Side Moldings, Wheel Covers, Dual Horns, Whitewall Tires, Cloth Interior

Avis Recommendations

While the annual process of vehicle selection has always been both difficult and demanding, it has become even more involved over recent years with the drastic realignment of models in both size and weight, says Avis.

The emphasis has been placed on economy which, more than anything else, is related to vehicle weight. Therefore, Avis's vehicle classification has been predicated on vehicle weight.

Avis recommends that when you select a vehicle you must meet certain general requirements:

1. It must be equal to the demands of the job it is expected to do.
2. It must be economical to operate.
3. It must retain a high used car value.

"...fuel cost and depreciation represent almost 80% of the total operating cost."

According to Avis, recent surveys confirm that fuel cost and depreciation represent almost 80% of the total operating cost and continue to increase. Equal consideration should therefore be given to each of these factors.

Other factors involved in vehicle selection include the following:

Model Series — The full range of models in each line should be given consideration to fill specific assignments, from the "pool" type of use to the high level, executive or prestige category.

Body Style — Serviceability will be the main consideration, including the use of and ease of entry to rear seats. However, 2-door models can be considered, particularly in the specialty category.

Color — Certain colors are more popular and sellable than others and will vary by region. It is generally a good rule of thumb to avoid extremes. Of equal importance is the compatability of interior and exterior color combinations.

Equipment — The equipment listed on the chart is recommended as basic. Exceptions can of course be made, depending on your individual requirements and preferences. It is important, however, that the optional equipment selected be compatible with the level of model used.

Engines — The engines listed are considered to be adequate for the class of car recommended in view of the lighter cars involved. Where there is any question, you can consider the next larger engine, if available.

Replacement — Replacements should be made early in the model year, preferably in the Fall (October-November) and/or Spring (March-April) to minimize depreciation.

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AVIS'S VEHICLE SELECTION RECOMMENDATIONS

Vehicle Assignment	Vehicle Category	Engine	Model Level
Economy/Special Purpose	Sub-Compact	4 Cyl.	Base Level
	Small	4 Cyl	Base Level
Sales/Service	Small	4, 6 Cyl.	Mid Level
	Mid Size	4,6 Cyl.	Mid Level
Managerial	Full Size	6, 8 Cyl.	Base Level
	Mid Size	4, 6 Cyl.	Top Level
	Specialty	4, 6 Cyl.	Selective
Executive:			
Group I	Full Size	6, 8 Cyl.	Mid Level
	Specialty	4, 6 Cyl.	Selective
Group II	Full Size	6, 8 Cyl.	Top Level
	Luxury	6, 8 Cyl.	Top Level
	Specialty	4, 6, 8 Cyl.	Top Level

NOTE: Where use dictates, select hatchback, station wagon or "mini" van/wagon which best fits passenger & cargo requirements.

RECOMMENDED EQUIPMENT BY VEHICLE ASSIGNMENT

I. ECONOMY/SPECIAL PURPOSE:		
Air Conditioning (Selective)	H.D. Suspension	Body Side Molding
Automatic Transmission (Selective)	AM Radio	Power Steering (Selective)
II. SALES/SERVICE:		
Air Conditioning	Tinted Glass	Window, Drip
Automatic Transmission	Cloth/Vinyl Upholstery	Moldings,
Power Brakes	L.H. OSRV Mirror, Remote	Where Applicable
Power Steering	Wheel Covers	Door Edge Guards
AM/FM Stereo	Body Side Molding	Front/Rear Floor Mats
Interval Wipers	Digital Clock	WSW Tires
		Rear Defogger, Where Required
III. MANAGERIAL, Above Plus:		
Tilt Wheel	Light Package	
Cruise Control	Power Windows	
	Power Door Locks	
IV. EXECUTIVE, Above Plus:		
Group I:	Automatic Air Conditioning	Styled Wheels
Power Seat-Driver	Vinyl Roof or 2 Tone Print	
Group II: Above Plus:		
Tilt-Telescope Wheel	High Level Upholstery	Power Seats — All
AM/FM Stereo Cassette	Instrumentation Package	

Leasing Company Recommendations

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Dart & Kraft Recommendations

While the automotive industry has come a long way in the past few years, other factors, such as vacillating interest rates and gasoline prices could rise up and cause havoc among the best run automotive fleets. Dart & Kraft Financial Corporation is pleased to see that their client base has taken heed of the everchanging world of fleet management by utilizing vehicles that are more cost and fuel efficient. Therefore, their recommendation for 1985 is to continue taking advantage of the manufacturers' technological response to the demand for cost-effective, high performance vehicles.

In making your fleet plans for 1984, Dart & Kraft recommends the following class of vehicles.

Luxury Class

Make/Model	
Buick Electra	Ford LTD Crown Victoria
Chevrolet Caprice	Mercury Grand Marquis LS
Chrysler New Yorker 5th Ave.	Oldsmobile 98 Regency
Chrysler Newport	Pontiac Parisienne Brougham

Dart & Kraft's recommended replacement cycling is 36 months/ 60,000 miles.

Full Size

Make/Model	
Buick LeSabre	Oldsmobile Delta 88
Chevrolet Impala	Plymouth Gran Fury
Dodge Diplomat	Pontiac Parisienne

Dart & Kraft's recommended replacement cycling is 36 months/ 60,000 miles.

Intermediate

CLASS I

Make/Model	
Buick Century	Mercury Marquis Brougham
Chrysler Commander	Oldsmobile Cutlass Ciera LS
Dodge Lancer	Pontiac 6000 LE
Ford LTD Brougham	

CLASS II

Make/Model	
Chevrolet Celebrity CL	Mercury Marquis
Dodge 600	Pontiac 6000
Ford LTD	Plymouth Caravele

Dart & Kraft's recommended replacement cycling is 36 months/ 55,000 miles.

Compact

CLASS I

Make/Model	
Dodge Aries LE	Mercury Topaz LS
Ford Tempo GLX	Plymouth Reliant LE

CLASS II

Make/Model	
Dodge Aries	Ford Tempo GL
Mercury Topaz GS	Plymouth Reliant

Dart & Kraft's recommended replacement cycling is 36 months/ 55,000 miles.

Subcompact

CLASS I

Make/Model	
AMC Alliance DL	Mercury Lynx LTS
Buick Skyhawk	Oldsmobile Firenza
Chevrolet Cavalier CS	Plymouth Horizon SE
Dodge Omni SE	Pontiac Sunbird
Ford Escort LX	

Dart & Kraft's recommended replacement cycling is 36 months/ 55,000 miles.

Utility Class

Make/Model	
AMC Encore	Mercury Lynx L
Dodge Omni	Plymouth Horizon
Ford Escort L	

Dart & Kraft's recommended replacement cycling is 48 months/ 80,000 miles.

Specific Recommendations

Dart & Kraft has developed vehicle recommendations for specific industries. These recommendations are based on extensive industry research among various large corporate fleets and analyzing the vehicle industry on a whole to find the best vehicle selections. These general industry recommendations should be used as a guide when planning for the upcoming model year.

Industry	Managerial	Sales/Service
1) Paper and Lumber	Intermediate/ Class I	Intermediate/ Class II
2) Pharmaceutical, Cosmetics, Consumer Products	Intermediate/ Class I	Intermediate/ Class I
3) Heavy Manufacturing	Intermediate/ Class I	Intermediate/ Class II
4) Light Manufacturing	Intermediate/ Class I	Compact/ Class II
5) Financial Services/ Insurance	Compact/ Class I	Compact/ Class II
6) Food, Beverage & Tobacco	Intermediate Class I	Intermediate/ Class I or Compact/Class I
7) Petroleum (Oil Patch)	Full Size	Full Size or Light Duty Pickup
8) Petroleum General	Full Size	Intermediate/ Class I

Enterprise Recommendations

The stabilization of fuel availability and price and declining interest rates allows the focus once again to be on the primary factors which will have the greatest impact on your overall fleet expense — depreciation and fuel expense, according to Enterprise. These expenses represent approximately 67 percent of your total fleet expenditures and both of these expense items can be controlled by wise vehicle selection.

Enterprise suggests that the fleet administrator should first identify the primary functions of each

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Leasing Company Recommendations

(Continued from page 12)

vehicle level within the company fleet by asking the questions: What is the average package load and passenger load for each vehicle? What type of image should each level of vehicle project? With the primary requirements for each level of vehicle established, the vehicle selection process may begin. Vehicles which are able to perform the job within every given class should then be evaluated economically. To make this evaluation, you should anticipate new car costs and factory rebates or incentives; estimate resale value at term; and analyze the fuel efficiency rating of each vehicle, says Enterprise. By planning this process carefully, the fleet administrator can identify those vehicles, based upon function and economy, which should be recommended for each level.

Restrict Selection of Vehicles

If the primary job function is utility, presentation of a broad selection of vehicles is not as important as it is to a sales or marketing function, where image and driver satisfaction become more important. As a result, Enterprise recommends restricting the selection of vehicles for utility purposes to give the fleet administrator the flexibility to move from one make and model to another within a given model year as changes in economy and factory incentive programs occur.

"Improper vehicle selection continues to be an important factor in regard to used car value by adversely affecting total depreciation cost."

In the case of a sales or marketing vehicle, Enterprise recommends that drivers be given a broad selection of makes and models of vehicles within a specific category from which to choose. Enterprise also recommends that a vehicle be assigned to one specific individual and not be transferred from driver to driver at company discretion. A further recommendation is that the driver be given the opportunity to purchase optional equipment at his or her own expense in addition to selection of a specific make and model.

The fleet administrator should be attentive to the specific types of equipment and power trains that should be considered for a driver's geographic area. Larger engines are recommended by Enterprise for vehicles that are operated in mountainous areas and engine block heaters are recommended for cold climates.

Enterprise suggests that larger luxury cars be equipped with power assist and luxury options such as power windows, cruise control, tilt steering wheel, AM/FM stereo radio and appearance items such as accent stripes and upgraded wheelcovers. Larger or luxury cars without these options will be adversely affected on the used car market above and beyond the initial cost of the options. Vehicle color selection continues to be an important factor in regard to used car value by adversely affecting total depreciation cost. Metallic colors are difficult to blend and match if body repairs are needed, and in the past, metallic paint has had a tendency to fade. Enterprise does, however, anticipate that clearcoat will reduce metallic paint fade. As a result, Enterprise recommends the use of metallic color only with clearcoat, otherwise, brighter or earthtone non-metallic colors are recommended.

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Gelco Recommendations

Are 1985 product offerings better? The answer, according to Gelco, is a definitive "Yes." All the major domestic manufacturers have invested millions of dollars in quality-control programs. The chairmen of Ford and General Motors even designated the quest for quality as the top corporate priority. The results and rewards of this attention are rolling in now.

Gelco has added these three important acquisition criteria to their 1985 Automobile Selector Groups — projected acquisition costs, operating costs and resale values. The acquisition costs are calculated on the basis of 1984 prices, plus an anticipated 3% price increase. These charges do not include freight, tax and title costs. The operating costs projections are based, primarily, on the large bank of data available from Gelco's Maintenance Management Program. Vehicle operating costs are displayed in cents/mile and represent fuel, maintenance and tire costs over 30 months and 60,000 miles. Fuel costs were gauged at $1.35/gallon. Resale values were computed by Gelco and the projected used car values are the estimated prices that will be obtained in the Fall of 1986 and Spring of 1987, with slight seasonal adjustments. The price of fuel, the effect of inflation, product availability, mileage, and the used vehicle marketing trends have all been taken into consideration.

Luxury Group

	Acquisition Cost	Operating Cost Cents/Mile	Resale Value
Buick Riviera	$14,885	.0993	$ 9,400
Oldsmobile Toronado	$14,890	.0993	$ 9,400
Cadillac DeVille	$16,402	.0799	$10,500
Buick Electra Park Avenue	$14,269	.0779	$ 9,100
Oldsmobile 98 Regency Brougham	$14,100	.0799	$ 9,000
Lincoln Continental	$18,988	.0887	$12,000
Chrysler New Yorker	$12,890	.0657	$ 8,300

Selection Criteria
- Company Image Primary
- Position Image Primary
- Comfort Primary
- Fuel Economy Secondary
- Acquisition Cost Secondary

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Leasing Company Recommendations

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Gelco Recommendations continued

Full-Size Functional Group

	Acquisition Cost	Operating Cost Cents/Mile	Resale Value
Ford Crown Victoria	$11,206	.0883	$5,800
Mercury Grand Marquis	$11,565	.0883	$6,000
Chevrolet Caprice Classic	$10,202	.0867	$5,200
Buick LeSabre Custom	$10,725	.0867	$5,500
Oldsmobile Delta 88 Royale	$10,486	.0867	$5,500
Pontiac Parisienne	$10,577	.0867	$5,300

Selection Criteria
- Cargo Carrying Capacity Primary
- Passenger Space Primary
- Fuel Economy Secondary

Mid-Size Group

	Acquisition Cost	Operating Cost Cents/Mile	Resale Value
Contemporary Category			
Chevrolet Celebrity CL	$ 8,999	.0690	$4,500
Plymouth Caravelle	$ 9,419	.0657	$4,500
Pontiac 6000 LE	$ 9,623	.0690	$4,800
Oldsmobile Cutlass Ciera LS	$ 9,592	.0690	$4,800
Buick Century Custom	$ 9,650	.0690	$4,800
Ford LTD Brougham	$ 9,570	.0749	$4,700
Mercury Marquis Brougham	$ 9,605	.0749	$4,750
Dodge 600	$ 9,419	.0657	$4,500
Traditional Category			
Pontiac Bonneville	$ 9,584	.0841	$4,600
Oldsmobile Cutlass Supreme	$ 9,918	.0841	$5,000
Specialty/Position Upgrades			
Ford Thunderbird	$ 9,755	.0836	$5,000
Mercury Cougar	$10,053	.0836	$5,100
Pontiac Grand Am	$ 9,192	.0652	$4,600
Buick Somerset Regal	$ 9,619	.0652	$4,800
Oldsmobile Calais	$ 9,587	.0652	$4,800

Selection Criteria
- Cargo Carrying Capacity Primary
- Resale Value Primary

Functional Compact Group

	Acquisition Cost	Operating Cost Cents/Mile	Resale Value
Plymouth Reliant	$8,332	.0652	$3,800
Dodge Aries	$8,332	.0652	$3,800
Ford Tempo GL	$8,173	.0698	$3,800
Mercury Topaz GS	$8,383	.0688	$3,850
Oldsmobile Firenza	$8,216	.0615	$3,900
Pontiac Sunbird	$7,790	.0615	$3,600
Chevrolet Cavalier	$7,505	.0615	$3,400
Buick Skyhawk	$8,221	.0615	$3,900
Chevrolet Citation[1]	$8,261	.0676	$3,700
Buick Skylark[1]	$8,617	.0676	$4,000

Selection Criteria
- Fuel Economy Primary
- Acquisition Cost Primary
- Passenger Space Secondary
- Cargo Carrying Capacity Secondary

[1]The remaining vehicles in the X car lineup, the Pontiac Phoenix and Oldsmobile Omega, have been discontinued for the 1985 model year.

Efficiency Subcompact Group

	Acquisition Cost	Operating Cost Cents/Mile	Resale Value
Dodge Omni	$7,282	.0676	$2,800
Plymouth Horizon	$7,282	.0676	$2,800
Chevrolet Chevette	$6,589	.0658	$2,500
Pontiac 1000	$6,860	.0658	$2,600
Ford Escort	$7,286	.0683	$2,900
Mercury Lynx	$7,486	.0683	$3,000
AMC Alliance L	$7,656	.0627	$3,000
AMC Encore S	$7,563	.0627	$2,950

Selection Criteria
- Acquisition Cost Primary
- Fuel Economy Primary
- Cargo Carrying Capacity Secondary
- Passenger Space Secondary

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LMV Recommendations

LMV recommends that when you make your fleet purchase decision you keep one eye on the future. The time to begin thinking about disposal of your used car is actually when you order it new. How that new vehicle is equipped will, to a large degree, determine the value of that vehicle when it comes time to dispose of it a year or two down the road, says LMV.

A lot of factors determine what you can expect to receive for a used vehicle. The obvious factors are make and model, general condition, mileage and the current state of the used car market.

Future of the V-8 Engine

Is there a trend toward phasing out V8 engines? They will still be available on selected models, but V8's will add disproportionately to the overall cost (and be less available) in 1985.

Many now say that technical advancements in the V6 have made them as powerful as the traditional V8 and that automakers don't want to build them any longer.

An important point, says LMV, is delivery time of V8 equipped vehicles. It is apt to be considerably longer than for V6's in 1984-85. The four-cylinder engine, meanwhile, is now standard on most subcompacts, compacts and some intermediates, with the V6 recommended for larger sizes. The reason continues to be fuel efficiency.

LMV perceives the trend toward front-wheel drive to be gathering momentum. Demand for FWD continues to grow and domestic automakers are adding new FWD models every year, including mid-size and luxury class models. You can still order RWD cars for 1985, but LMV believes the choices will continue to narrow in the future.

According to LMV, the introduction of the minivans is probably the year's biggest news. Although only Chrysler's Dodge Caravan and Plymouth Voyager are currently available, Ford and GM will bring their versions to the market in the '85 model year.

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Leasing Company Recommendations

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McCullagh Recommendations

Managing a fleet is not easy, says McCullagh. There are many complex issues a manager has to consider before making decisions that define the company's fleet, and substantially impact the company's bottom line.

Fleet decisions should be based on the manager's best effort to assess the whole range of factors that impact the performance of the fleet — some are measurable factors, such as acquisition costs, running and standing costs and probable resale value. And others are non-quantitative factors, such as driver acceptance, company image, the vehicle's role as a benefit or incentive within the company.

Purpose of the Vehicle

McCullagh suggests that managers should always keep one notion clearly in front of them: application. What purpose does this vehicle serve the fleet?

Once you are clear about what the vehicle is to accomplish, then the relative importance of other factors falls into place, says McCullagh. Taking the vehicle's application as the central criterion, McCullagh has grouped the 1985 models into three functional categories: "Standard," "Management," and "Executive" applications. Within each category, they have further grouped the vehicles according to overall comparability — i.e., how the cars line up against each other vis-a-vis overall dimensions, interior space, price category, economy of operation, image, etc. These subgroupings should allow you to identify the vehicles most appropriate to the particular mix of values at work in your company.

Standard Fleets

These vehicles typically serve a marketing function (sales/services).

	4 Door	2 Door
CLASS S-1	Chevrolet Impala Dodge Diplomat Plymouth Gran Fury	
CLASS S-2		Buick Regal Chevrolet Monte Carlo
	Ford LTD Brougham	Ford Thunderbird
	Mercury Marquis Brougham Chrysler LeBaron GTS Dodge Lancer	
	Oldsmobile Cutlass Supreme Pontiac Bonneville	Mercury Cougar Oldsmobile Cutlass Supreme
		Pontiac Grand Prix Buick Somerset Regal Pontiac Grand AM Oldsmobile Calais
CLASS S-3	Buick Century Chevrolet Celebrity Plymouth Caravelle Dodge 600 Ford LTD Mercury Marquis	Buick Century Chevrolet Celebrity Dodge 600 Ford Mustang Mercury Capri
	Oldsmobile Cutlass Ciera Pontiac 6000	Oldsmobile Cutlass Ciera Pontiac 6000
CLASS S-4	Buick Skylark Chevrolet Citation Chrysler LeBaron Ford Tempo Mercury Topaz	Chevrolet Citation Chrysler LeBaron Ford Tempo Mercury Topaz Buick Somerset Regal
CLASS S-5	Buick Skyhawk Chevrolet Cavalier Dodge Aries Plymouth Reliant Pontiac Sunbird Oldsmobile Firenza	Buick Skyhawk Chevrolet Cavalier Dodge Aries Plymouth Reliant Pontiac Sunbird Oldsmobile Firenza
CLASS S-6	AMC Alliance Chevrolet Chevette Dodge Omni Ford Escort Mercury Lynx Plymouth Horizon Pontiac 1000	AMC Alliance Chevrolet Chevette Dodge Charger Ford Escort & Exp. Mercury Lynx Plymouth Tourismo Pontiac 1000

Management Vehicles

The vehicles in this class are recommended for functions where operating costs are balanced by other less tangible requirements.

	4 Door	2 Door
CLASS M-1	Buick LeSabre Chevrolet Caprice Classic Ford LTD Crown Victoria Oldsmobile Delta 88 Royale Pontiac Parisienne	Buick LeSabre Chevrolet Caprice Classic Ford LTD Crown Victoria Oldsmobile Delta 88 Royale
CLASS M-2		Buick Regal Limited
	Chrysler New Yorker	
		Ford Thunderbird Heritage Mercury Cougar XR-7 LS
	Oldsmobile Cutlass Supreme Brougham	Oldsmobile Cutlass Supreme Brougham Oldsmobile Cutlass Calais
	Pontiac Bonneville Brougham	
		Pontiac Grand Prix Brougham

Executive Vehicles

Where luxury, control and prestige are the primary consideration, these cars are recommended.

	4 Door	2 Door
CLASS E-1	Cadillac Seville Lincoln Continental Cadillac Fleetwood	Cadillac Fleetwood
	Cadillac Fleetwood Brougham	Cadillac Fleetwood Brougham

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Leasing Company Recommendations

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McCullagh continued

CLASS E-2		
	Cadillac Eldorado Continental Mark VII	
CLASS E-3		
Cadillac Sedan Deville Lincoln Town Car	Cadillac Coupe Deville	
CLASS E-4		
Buick Electra Buick Electra Park Avenue Cadillac Cimarron Chrysler Fifth Avenue Mercury Grand Marquis Oldsmobile 98 Regency Oldsmobile 98 Regency Brougham	Buick Electra Buick Electra Park Avenue Mercury Grand Marquis Oldsmobile 98 Regency Oldsmobile 98 Regency Brougham	
CLASS E-5		
	Buick Riviera Buick Riviera T Type Oldsmobile Toronado Brougham	

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PH&H Recommendations

In the short span of the last twelve months, the domestic automobile business seems to have changed dramatically, according to PH&H.

- Cars, especially big ones, seem to be in short supply.
- Trucks are even more scarce with most vans "sold out" for the model year.
- Inflation remains under control.
- There is a glut of oil — memories of the energy crisis get dimmer.
- The economy is in a vigorous recovery.

Against this backdrop, it is not surprising that pressure has increased for a return to larger cars and bigger engines. PH&H believes the fleet manager's response to this pressure is to maintain current policy. Dollars and cents alone are enough to make the case against allowing big cars on the selector. The choice of sensibly-sized, front-drive, four cylinder cars remains as economical defensible as ever, says PH&H.

Here's a look at the situation as it really is:

1. The media has highlighted renewed retail interest in big cars. But the media hasn't reported the facts. The sale of full size and luxury cars actually fell 2% from '83 to '84, from 24.7% down to the current 22.8%. At the same time, sales of U.S. — built Sub-Compacts rose to 32.3% of total sales. So contrary to media stories, the retail buying public is buying small — not big — cars in increasing numbers. This confirms the continued shift of the market to smaller cars, a trend which leads us to forecast good used car performance for new-generation four cyclinder cars bought this Fall.

2. No one can predict the oil supply situation while the Persian Gulf states remain in turmoil. A supply cut-off could force up the price of gas at the pump. So, PH&H recommends that you stick with fuel efficient cars.

3. Four-cylinder cars save money in fuel costs: The 2.5 mpg average difference between fours and sixes turn into $391.50 in fuel savings over a 27-month service life.

4. A six-cylinder engine adds over $200 to the cost of a new car, and most of the cost difference is not recovered at resale.

In light of these factors, PH&H continues to recommend cars selected on comparable value... a combination of fuel economy, utility, style, comfort and market perception.

PH&H has divided their comparable value recommendations into five groups:

Best Value: The best all-around fleet vehicle offering the best combination of fuel economy, original cost, resale value, interior size, comfort, trim level and trunk space.

Sport/Specialty: Vehicles that add spice to your selectors. Their excellent resale performance will improve your overall depreciation.

Best Price: Choices for those companies desiring the lowest possible acquisition cost without size penalties.

Best MPG: Cars that will produce maximum fuel economy; an ideal list for a low mileage, urban environment.

Best Image: A selection of fuel efficient cars for companies that desire to give drivers extra luxury and comfort or for those companies who want to offer an up-graded vehicle for managers.

Best Value Group

PH&H recommends these vehicles as best for general use.

Make	Body Style
Buick Skylark Custom (X)	4-door
Buick Somerset Regal (N)	2-door
Chevrolet Celebrity CL	2- & 4-door
Dodge Lancer	2- & 4-door
Oldsmobile Calais	2-door
Pontiac 6000	2- & 4-door

Sport Specialty Group

The hottest segment in both new and used car markets is the Sport/Specialty segment. Today, these cars combine sporty styling with fuel efficiency. PH&H recommends that the following cars be included on either your Best Value or Best Image selector forms because of their ability to average down your depreciation costs.

Make	Body Style
Buick Somerset Regal	2-door
Chevrolet Camaro	2-door HB
Chrysler Laser	2-door HB
Dodge Daytona	2-door HB
Ford Thunderbird	2-door
Mercury Cougar	2-door
Oldsmobile Calais	2-door
Pontiac Firebird	2-door HB
Pontiac Grand AM	2-door

Best Price Group

Many companies have chosen to build their selectors on the basis of acquisition cost. The cars

listed below offer an average estimated '84 price of $8,512. For those fleets where up front costs are the most important ones, PH&H recommends the following vehicles.

Make	Body Style
Chevrolet Cavalier CS	2- & 4-door
Chevrolet Citation	2- & 4-door HB
Dodge Aries	2- & 4-door
Ford Tempo GL	2- & 4-door
Mercury Topaz GS	2- & 4-door
Plymouth Reliant	2- & 4-door
Pontiac Sunbird	2- & 4-door

Best MPG Group

By the mid and late 80's, the only major fuel economy gains that can be made by vehicle selection will involve a shift to the cars PH&H categorizes as small. These car deliver an excellent level of fuel economy, reliability and resale performance. Although this size class is a good choice for those drivers in low-mileage, urban territories, PH&H does not recommend these cars for drivers who travel more than 2,000 miles per month.

Make	Body Style
Chevrolet Cavalier CS	2- & 4-door
Dodge Omni	2- & 4-door HB
Ford Escort	2- & 4-door HB
Mercury Lynx	2- & 4-door HB
Plymouth Horizon	2- & 4-door HB
Renault Alliance DL	2- & 4-door

Best Image Group

Many companies use the company car as a recognition, an inducement to employment, or an indication of status. The cars listed below offer prestige coupled with fuel efficiency comparable to that offered by cars on PH&H's "Best Value" list.

Make	Body Style
Buick Century Custom	2- & 4-door
Chrysler H-body	4-door
Ford Thunderbird	2-door
Mercury Cougar	2-door
Olds Cutlass Ciera LS	2- & 4-door
Pontiac 6000 LE	2- & 4-door

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USFL Recommendations

United States Fleet Leasing comments that the first step in controlling fleet costs is the selection of appropriate vehicles for fleet usage. There are two major elements in the process. The first is selecting those vehicles which meet your company's requirements. Such considerations as size of vehicles, carrying capacity, two-door versus four-door and the types of vehicles for various classifications of employees should be resolved first.

The second key factor, according to USFL, is the cost and the ultimate resale value of each of the vehicles. USFL believes strongly that effective control of depreciation begins with selecting those vehicles which have an appropriate original cost and also return the highest value when retired from fleet service.

USFL continues to recommend mid-size sedans for most business fleets. They are simultaneously roomy and economical, and have relatively low total cost to the fleet user. Of the 19 mid-size sedans evaluted for 1985 fleet use, these are USFL's top choices:

Make and Model

1. Chevrolet Celebrity
2. Dodge 600/Plymouth Caravelle
3. Dodge Aries/Plymouth Reliant
4. Pontiac 6000
5. Chevrolet Citation II

USFL's specific model recommendations are based upon their projected total cost for 24 months. They have grouped the 1985 models by size categories.

Sub-Compact Sedans: The only domestic sedans in this category are the Chevrolet Chevette and Pontiac 1000. They are the least costly of all the 1985 models evaluated by USFL.

Compact Sedans: The clear leader in the compact category is the Chevrolet Cavalier. Runners-up are the Ford Escort L, Renault Encore S, and Mercury Lynx L.

Mid-Size Sedans: USFL evaluated nineteen mid-size 1985 models. The number one finalist was the Chevrolet Celebrity. Following the Celebrity are the Dodge 600, Plymouth Caravelle, Dodge Aries, Plymouth Reliant, Pontiac 6000, and Chevrolet Citation II.

Large Sedans: The Chevrolet Caprice Classic and Impala are once again the cost leaders among the large sedans, followed by Delta 88 Royale, LeSabre Custom, and Pontiac Parisienne.

Specialty Coupes: The most cost-effective cars in this category, according to USFL's projections, are the brand-new front-wheel drive GM-20 coupes: Pontiac Grand Am, Oldsmobile Calais, and Buick Somerset Regal. At a considerable relative cost disadvantage are the more conventional Monte Carlo, Cutlass Supreme, Grand Prix, and Thunderbird. ■

1985 Vehicle Specifications

(Continued from page 8)

Make	Wheelbase	Overall Length	Curb Weight	Standard Engine	Cargo Area
Specialty Cars (continued)					
Dodge Conquest	95.9	173.2	2,822	4/2.6	10.3
Dodge Daytona	97.1	175.0	2,528	4/2.2	16.9
Ford EXP	94.2	170.3	2,156	4/1.6	29.8
Ford Mustang	100.5	179.1	2,775	4/2.3	10.0
Lincoln/Mercury Capri	100.5	179.1	2,775	4/2.3	30.0
Nissan 200 SX	94.5	176.2	2,603	4/2.0	19.6
Nissan 280 ZX	91.3	174.0	2,796	6/2.8	15.6
Plymouth Conquest	95.9	173.2	2,822	4/2.6	10.3
Pontiac Fiero	93.4	160.7	2,591	4/2.5	5.85
Pontiac Firebird	101.0	189.8	3,074	4/2.5	30.9
Toyota Celica GT	98.4	176.8	2,459	4/2.4	16.9
Toyota Supra	102.9	183.5	2,974	6/2.8	13.8
Volkswagen Scirocco	94.5	165.7	2,181	4/1.8	23.7